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MORTGAGE LENDER AND REAL ESTATE BROKER SETTLE HAZARDOUS WASTE CASE

Defendants Agree to Pay Civil Penalties in Consumer and Environmental Protection Prosecution

San Diego, CA (January 19, 1999) -- A national mortgage company, a San Diego real estate company, its president, and a real estate agent have agreed to pay \$76,020.29 in civil penalties and clean-up and other costs to settle an environmental protection case filed by the City Attorney's Consumer and Environmental Protection Unit.

The civil complaint, filed in San Diego Superior Court, alleged that the defendants, Pickford Realty, Inc., and Pickford Realty, Ltd. -- both doing business as The Prudential California Realty -- The Prudential Home Mortgage Company, Inc., Prudential Residential Services, Ltd., and two individuals -- a real estate executive and a real estate agent -- violated California environmental protection and unfair competition laws, which resulted in the illegal transportation and disposal of hazardous waste. The defendants did not admit wrongdoing; however, they agreed to the terms of the Superior Court judgment.

An investigation conducted in 1997 by the San Diego Police Department, the Metropolitan Wastewater Department, and City Environmental Services revealed that the hazardous waste originated from a house formerly owned by a painting contractor, who had stored paint and other flammable, corrosive and toxic materials in his garage. When the house went into foreclosure, the waste was abandoned. The investigation revealed that, after foreclosure, the defendants took control of the property and prepared it for resale. The real estate agent hired an unlicensed, unqualified day laborer to transport and get rid of the hazardous waste. One week later, the hazardous waste was found dumped on a vacant, canyon lot, in the 1300 block of Delevan Drive in San Diego.

Photographs of the canyon lot, taken by investigators, show dozens of containers with oil-based and liquid latex paints, muriatic acid, and other flammable and toxic wastes. San Diego Police and San Diego Fire Department personnel secured and properly disposed of the waste.

The Superior Court judgment includes the payment of penalties and costs by the defendants, as well as orders them to comply with environmental protection laws. The agreed judgment also requires Prudential California Realty to provide environmental compliance training to its entire real estate sales force, to provide each agent with current information on licensed hazardous waste removal companies, and to purchase advertising that warns of the consequences of unlawful handling of hazardous waste.

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